

STAND. COM. REP. NO. 1127

Honolulu, Hawaii

MAR 27 2015

RE: H.B. No. 1292  
H.D. 2  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committee on Government Operations, to which was referred H.B. No. 1292, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to work toward increasing transparency and accountability in public contracts by establishing a task force to examine the issue of past performance and establish the factors that should be considered as part of due diligence when evaluating a contractor's past performance for the purpose of awarding a contract under chapter 103D or 103F, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Hawaii Alliance of Nonprofit Organizations, Subcontractors Association of Hawaii, and General Contractors Association of Hawaii. Your Committee received comments on this measure from the State Procurement Office; Hawaii Operating Engineers Industry Stabilization Fund; and Hawaii Building and Construction Trades Council, AFL-CIO.

Your Committee finds that a contractor's past performance is an important indicator to consider when evaluating bids or proposals on public contracts. A uniform metric for evaluating past performance will help procurement officers make more informed choices when awarding contracts and will ultimately yield superior results for the State.



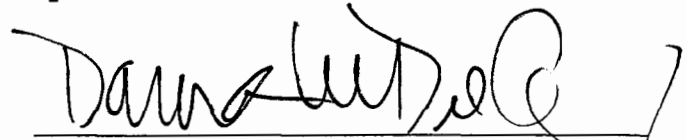
Your Committee has amended this measure by:

- (1) Changing the name of the task force to the procurement task force and changing the convening entity to the Department of Accounting and General Services;
- (2) Redefining the scope of the task force to examine the cost impacts that the procurement process has had for public works construction projects, and specifically to examine and recommend past performance standards and statewide processes in order to promote economy, efficiency, effectiveness, and impartiality in procurement for state and county governments;
- (3) Reconstituting the membership of the task force by naming the Comptroller or Comptroller's designee as chair and giving the Comptroller the duty of soliciting members from various entities and any other representatives deemed necessary by the Comptroller;
- (4) Deleting the responsibilities assigned to the task force regarding establishing factors to be considered in evaluating a contractor's past performance;
- (5) Adding language assigning the task force the responsibility of identifying and proposing amendments, if any, to the procurement code that may better promote economy, efficiency, effectiveness, and impartiality in the procurement of public works construction projects, specifically regarding statewide past performance standards and processes; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1292, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1292, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committee on Government  
Operations,

  
DONOVAN M. DELA CRUZ, Chair



**Record of Votes**  
**Committee on Government Operations**  
**GVO**

\*Only one measure per Record of Votes